

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
December 18, 2018**

**CALL TO ORDER**

President Baker called the regular meeting of the Board of Directors of North Marin Water District to order at 6:01 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly, James Grossi, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, Auditor-Controller Julie Blue and Chief Engineer Rocky Vogler.

District employees, Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent), were also in attendance.

In the audience was Chris Boucher, Labor Negotiator from Wiley, Price and Radulovich.

**MINUTES**

Director Joly requested that the minutes be approved with the addition to include language regarding Jeff Palmer's statement that the District had the highest rating in reference to the Outside Auditor's FY18 Report and Management Letter.

On motion of Director Petterle, seconded by Director Joly the Board approved the minutes from the December 4, 2018 meeting as presented with the addition of Director Joly's change by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

**GENERAL MANAGER'S REPORT**

Farewell Recognition Event for Krishna Kumar

Mr. McIntyre stated he and Director Baker will be attending a farewell luncheon recognition on December 19<sup>th</sup>, for Krishna Kumar who is retiring as Marin Municipal's General Manager.

Board Meeting Schedule

Mr. McIntyre reminded the Board that there is no regularly scheduled Board meeting on the first Tuesday in January and the next regular Board meeting will be on January 15th.

## Meetings

Mr. McIntyre noted that he and Mr. Vogler will be attending a TAC meeting on Monday, January 7<sup>th</sup>. On Saturday January 12<sup>th</sup>, Mr. McIntyre will be attending an Oceana Marin HOA meeting in Tomales at 1:00 p.m.

## **OPEN TIME**

President Baker asked if anyone in the audience wished to bring up an item not on the agenda and there was no response.

## **STAFF/DIRECTORS REPORTS**

President Baker asked if staff or Directors wished to bring up an item not on the agenda and the following were discussed.

Mr. Arendell briefed the Board on the recent main break in which a contractor hit the District's 18-inch pipeline near Novato Boulevard and Sutro Avenue on December 15<sup>th</sup>. A general discussion ensued regarding the pros and cons of using chalk versus paint for marking District facilities. Mr. Arendell added that he told the City of Novato that from October to May any marks in the roadway are going to be done in paint; during good weather we will continue to use chalk to mark the lines. Director Joly asked if we know what the cost of this break will be. Mr. Arendell replied that he doesn't know the total cost at this time.

Mr. Vogler reported on Tuesday's meeting with the Marin County Board of Supervisors in regards to the PRE Tank 4A appeal. The County of Marin, responsible for implementing the state mandated Local Coastal Plan, ruled in favor of NMWD's request to keep the tank height and size as originally designed with the stipulation the District pay \$5,000 to the adjacent landowner for tank screening landscaping. Director Joly asked if he was satisfied with the outcome and Mr. Vogler stated he was. Mr. McIntyre added that Mr. Vogler has done a great job keeping this project moving forward and that many of the residents have supported the District's efforts. Director Joly asked if our legal counsel participated, and Mr. McIntyre stated that Carl Nelson did attend and spoke at the meeting.

## **MONTHLY PROGRESS REPORT W/ CUSTOMER SERVICE QUESTIONNAIRE**

The Monthly Progress Report for November was reviewed. Mr. McIntyre reported that water production in Novato was up 4% from November one year ago and down 2% fiscal year to date. In West Marin, water production is up 37% from November one year ago and up 16% fiscal year to date. Mr. McIntyre noted that we continue to see higher production in West Marin and staff believes it is a metering issue and not loss of water. Mr. McIntyre also stated that Recycled Water production

is up 406% from one year ago and up 26% fiscal year to date. He added that Stafford Lake holds 1160 AF and is at 28% of capacity; Lake Mendocino is at 98% of target water storage capacity and Lake Sonoma storage is at 76% of capacity. He advised the Board that under Safety/Liability, we currently have 61 days without a lost time injury. On the Summary of Complaints and Service Orders, the Board he noted that overall the number of complaints/service orders are up 23% fiscal year to date. Mr. McIntyre reminded the Board that the customer system problems and service repair reports continue to run high as a result of increase water awareness from the AMI project. Director Baker requested another AMI Project status report in the not too distant future. Ms. Blue reported on the November 2018 Investments, where the District's portfolio holds \$18.6M earning a 1.99% rate of return. Director Joly stated that he noticed there was 41% invested in one fund alone, and wanted to know if Ms. Blue was comfortable with that. Ms. Blue responded that is was of her opinion that the return on investment is very steady and secure.

**CONSENT CALENDAR**

On the motion of Director Petterle, and seconded by Director Fraites the Board approved the following items on the consent calendar by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

**WATER SERVICE AGREEMENT COLLEGE OF MARIN - INDIAN VALLEY CAMPUS NEW MIWOK CENTER – PHASE 1**

The Board approved the Water Service Agreement for College of Marin Indian Valley Campus New Miwok Center. The New Miwok Center project proposes to construct a new single story kinesiology, recreation and aquatics center including an Olympic-sized swimming pool and a lap pool. The Indian Valley Campus New Miwok Center project will be done in two phases. This first phase is necessary to remove a portion of an existing 10-inch water main that is in conflict with proposed construction.

**NOMINATION OF SPECIAL DISTRICT REPRESENTATIVE ON THE MARIN LOCAL AGENCY FORMATION COMMISSION**

The Board authorized the nomination of Director Baker for a new four year term as Special District Representative – Regular Member to the Marin Local Agency Formation Commission.

**ACTION CALENDAR**

**BOARD COMMITTEE/ASSOCIATION ASSIGNMENTS FOR 2019**

This information was provided to the Board at the previous meeting on December 4, 2018, at which time Director Joly asked to defer action on this item for further review. Director Baker stated that he is recommending that the current committee assignments for the Board of Directors remain status quo for the 2019 year.

On the motion of Director Petterle, and seconded by Director Fraites the Board moved to approve the Board Committee/Association Assignments for 2019 as presented by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

**AGREEMENT OF PURCHASE AND SALE BETWEEN CITY OF NOVATO AND NMWD FOR PROPERTY TO CONSTRUCT CREST PUMP STATION**

Mr. Vogler requested the Board approve authorization for the General Manager to execute an agreement with the City of Novato to purchase property for \$15,000, to construct the Crest Pump Station on Bahia Drive. Once constructed, this new pump station will replace School Road Pump Station. Director Grossi questioned whether it would be better to get an easement rather than to purchase the property. Mr. Vogler responded that the preference is to own the property. Mr. McIntyre added that the District typically desires to own the property so that we have 100% control over any property issues including permitting. Director Joly stated the property is small, and wondered if it is large enough. Mr. Vogler replied it was sufficient enough for our needs and includes space to park a work vehicle.

On the motion of Director Grossi, and seconded by Director Fraites, the Board approved authorizing the General Manager to execute an Agreement of Purchase and Sale between city of Novato and North Marin Water District for Property to Construct Crest Pump Station by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

**PEER REVIEW OF WATER RATE STUDY**

Ms. Blue requested the Board approve a contract with The Reed Group to provide a peer review of the Water Rate Study being performed by David Bentley. She stated that the objective of the Water Rate Study is to develop water rates that are fair and equitable. Ms. Blue added that the peer review of the Water Rate Study will have a “not to exceed limit” of \$12,500. Director Joly commented that it was refreshing to see that The Reed Group mentioned the cost may be below the \$12,500 limit. Ms. Blue responded that they will only be charging for the hours worked. Director Joly added that he felt this review will be instrumental to the Board when it is time to review our rates.

On the motion of Director Joly, and seconded by Director Grossi, the Board authorized the General Manager to execute a Water Rate Study Peer Review contract with The Reed Group by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

**FINAL ANNUAL REPORT FISCAL YEAR 2017-2018**

Ms. Kehoe presented the Final Annual Report for Fiscal Year 2017-2018. The report was originally provided to the Board at the December 4<sup>th</sup> meeting. There were minor changes made as shown, and upon approval the final copy will be distributed at the next meeting.

On the motion of Director Fraites, and seconded by Director Joly, the Board approved the Final Annual Report Fiscal Year 2017-2018.

AYES: Director Baker, Fraites, Grossi, Joly, and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

**INFORMATION ITEMS**

**FY18 RESIDENTIAL CONSUMPTION STATUS REPORT**

Ms. Blue presented for review the FY18 Residential Consumption Report noting that the tier rate structure implemented by the District still proves to be an effective water conservation tool. She

noted that total residential consumption is down 28% from the peak year of FY04, and the median residential consumption is down 34% from its FY04 peak. The Conservation Incentive Rate (CIR), which is the surcharge applicable to residential water customers that exceed the CIR threshold, has shown an overall 70% reduction since implementation in 2004. Ms. Blue added the District's conservation efforts have adjusted the FY18 peak residential demand down substantially showing that our efforts have worked well.

### **MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements-Dated December 6, 2018 and December 13, 2018, and 2019 TAC – TAC/WAC Meeting Schedule.

The Board received the following news articles; Advance in storm forecasting allows Lake Mendocino to hold more winter runoff; Pension legal fight has Marin watching; Developer plans 80 townhomes in 14 buildings; The Sugar Line and Obituary – Donald Larkin.

Director Joly inquired whether we are within our budget in reference to the cost for Wiley Price and Radulovich asking if we need to discuss a change in the budget in open session. Mr. McIntyre stated that legal contracts are open ended based on the actual need at hand. Ms. Blue stated she will provide an update at the next meeting.

### **CLOSED SESSION**

President Baker adjourned the meeting at 6:43 p.m. and the Board began the closed session at 6:51 p.m. in accordance with Government Code Section 54957 Conference with Labor Negotiators (Christopher Boucher, Drew McIntyre and Julie Blue) to Provide Direction.

### **OPEN SESSION**

Upon returning to regular session at 7:14 p.m., President Baker stated that during the closed session the Board discussed the issue and no final reportable action had been taken.

### **ADJOURNMENT**

President Baker adjourned the meeting at 7:14 p.m.

Submitted by



Theresa Kehoe  
District Secretary